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MAKING THE IMAGE INTELLIGENT



**Nine months ended December 31, 2024**

# **Financial Results Supplementary Information**

Digital Media Professionals Inc.

February 13, 2025

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The accuracy of the information therein is not guaranteed.  
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# Company Profile



Leveraging our experience and knowledge as one of the world's leading graphics IP vendors, we have recently been contributing to solving problems for our customers and society by providing a full range of AI services from algorithm/software to hardware, and from the edge to the cloud.

Company name	Digital Media Professionals Inc. (DMP)
Foundation	July 2002 (Listed on Tokyo Stock Exchange Mothers market in June 2011, Moved to TSE Growth market in April 2022)
Location	Nakano-ku, Tokyo, Japan
Representative	Chairman, President and CEO: Tatsuo Yamamoto
Capital	1,838 million yen
Number of consolidated employees	65 (as of March 31, 2024)
Number of patents	35 cases
Consolidated subsidiary	Digital Media Professionals Vietnam Company Limited

## IP core license business

- AI/GPU IP core license
- AI software license



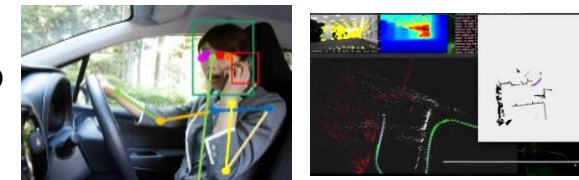
## Product business

- Image processing LSI for amusement market
- Vision system for collaborative robot
- Camera module for drone



## Professional service business

- AI algorithm/computer vision software contracted development
- FPGA/Board contracted development
- Customer product/service support related to safe driving assistance system and robotics



## Making the Image Intelligent

"To create innovative products and services that harness the power of image intelligence to solve real-world problems and drive value for our stakeholders."





# Business Highlights



- **Developing next-generation edge AI semiconductor**
  - Mass production to commence in fiscal year ending March 2026
  - Business (sales) launch scheduled for January 2026
  - Positioning as a long-term business foundation and growth engine following our amusement business.
- Net sales slightly decreased year-on-year. Operating income, ordinary income, and net income attributable to owners of the parent decreased due to factors including the recording of semiconductor development cost

Overall	Sales by business	Sales by field	
Net sales	IP Core License	Safety	Robotics
¥ <b>2,206M</b> (YoY* -4%)	¥ <b>74M</b> (YoY -45%)	¥ <b>26M</b> (YoY -36%)	¥ <b>118M</b> (YoY +3%)
Ordinary income	Product	Amusement	Other
¥ <b>121M</b> (YoY -¥142M )	¥ <b>2,055M</b> (YoY -2%)	¥ <b>2,012M</b> (YoY -0%)	¥ <b>48M</b> (YoY -58%)
	Professional service		
	¥ <b>76M</b> (YoY +48%)		

\* YoY :Year on Year

## Expanding growth investments, including development of edge AI semiconductor

(Unit: million yen)	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Amount change
<b>Net sales</b>	2,292	<b>2,206</b>	<b>-85</b>
<b>Operating income</b>	261	<b>121</b>	<b>-139</b>
<b>Ordinary income</b>	264	<b>121</b>	<b>-142</b>
<b>Net income attributable to owners of parent</b>	221	<b>100</b>	<b>-121</b>

- While sales of "RS1" image processing semiconductor for the amusement market remained solid, net sales slightly decreased (3.7% year on year) partly due to the completion of a large-scale maintenance/support project in the IP core license business
- Operating income, ordinary income, and net income attributable to owners of the parent decreased due to increased research and development expenses, including ¥79 million in development costs for edge AI semiconductor

# Results Highlights: Net Sales by Business and Field



## ● Sales by business

**IP core license business**    **¥74 million**    Same period last year    **¥135 million**

- Recorded AI/GPU running royalties for digital equipment, initial license and recurring revenues in safety/robotics fields, maintenance/support revenues, etc.
- Large GPU IP maintenance and support project in the previous fiscal year fell off

**Product business**    **¥2,055 million**    Same period last year    **¥2,105 million**

- Recorded sales from volume shipments of RS1 and Cambrian Vision Systems
- RS1 sales are expected to expand in the fourth quarter
- Progress in product shipments including full-scale introduction to manufacturing inline and business projects for Cambrian Vision System business

**Professional service business**    **¥76 million**    Same period last year    **¥51 million**

- Recorded revenues from contracted development services in AI and amusement fields
- Provided professional services for semiconductor manufacturing equipment/ construction machinery as well as for autonomous mobile robots

## ● Sales by field

**Safety field**    **¥26 million**    Same period last year    **¥41 million**

- Recorded dashcam-related recurring revenues (running royalties and subscription fees), maintenance/support revenues and professional service revenue

**Robotics field**    **¥118 million**    Same period last year    **¥115 million**

- Recorded sales of professional services and products such as Cambrian Vision Systems

**Amusement field**    **¥2,012 million**    Same period last year    **¥2,018 million**

- Recorded sales of RS1 for mass production

**Other**    **¥48 million**    Same period last year    **¥117 million**

- Recorded AI/GPU running royalties and maintenance/support revenues for digital equipment
- Large GPU IP maintenance and support project in the previous fiscal year fell off

## Equity ratio remains high at 85.8%

(Unit: million yen)		End of March 2024	End of Sep 2024	Amount change	Major increases/decreases
	Current assets	3,272	3,261	-10	Securities -100, Accounts receivable - trade and contract assets +77
	Non-current assets	647	891	+244	Intangible assets +153 Investment securities +103
<b>Total assets</b>		<b>3,919</b>	<b>4,153</b>	<b>+233</b>	
	Current liabilities	443	572	+128	Account payable - other +203, Account payable - trade +23, Income taxes payable -43
	Non-current liabilities	18	18	+0	
<b>Total liabilities</b>		<b>461</b>	<b>591</b>	<b>+129</b>	
<b>Total net assets</b>		<b>3,457</b>	<b>3,562</b>	<b>+104</b>	Retained earnings +100
<b>Total liabilities and net assets</b>		<b>3,919</b>	<b>4,153</b>	<b>+233</b>	



## Developing Next-Generation Edge AI Semiconductors as a Long-Term Business Foundation and Growth Engine Following the Amusement Business

### Market Opportunities

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- Edge AI market projected to reach USD 70 billion by 2032, growing at 25% CAGR (Source: Global Market Insights)
- Growth driven by IoT proliferation, privacy protection requirements, and low-latency needs

### Competitive Advantages

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- Integration of DMP's AI processor technology with strategic partner Taiwan-based iCatch's image processing technology to achieve low power consumption, high performance, and enhanced security requirements
- World's first FP4-supported edge AI semiconductor (as of February 2025, based on our research), achieving breakthrough computational efficiency and processing performance
- Rapid, low-cost development enabling quick response to AI model evolution and obsolescence
- Established global support system and long-term stable supply

### Business Outlook

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- Development cost: USD 3.4 million
- Mass production from fiscal year ending March 2026, Sales launch scheduled for January 2026
- Japanese customer adaption, currently supporting mass production system development
- Targeting broad customer acquisition across: mobility, robotics, smart cameras, smart cities, and smart factories, and aiming to capture overseas demand through partnership with iCatch



**DMP**  
**Edge AI Inference**  
**Semiconductor**

## Revised full-year forecasts announced on May 14

(Unit: million yen)	FY 03/2024 (Actual)	FY 03/2025 (Forecast)			
		Previous	Revised	Amount Change	Percent Change
<b>Net sales</b>	3,016	3,200	<b>3,075</b>	<b>-125</b>	<b>-3.9%</b>
<b>Operating income</b>	328	350	<b>255</b>	<b>-95</b>	<b>-27.1%</b>
<b>Ordinary income</b>	330	350	<b>255</b>	<b>-95</b>	<b>-27.1%</b>
<b>Net income attributable to owners of parent</b>	331	290	<b>210</b>	<b>-80</b>	<b>-27.6%</b>

- For the fourth quarter, we expect increased mass production shipments of our "RS1" image processing semiconductor for the amusement market, along with new GPU license acquisition.
- We have revised our full-year business forecast primarily due to the recording of development expenses of 79 million yen for next-generation edge AI semiconductors, which had not been factored into our initial estimates, as SG&A expenses as a strategic investment for future growth.

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